1	subject of briefing.
2	JUDGE SIPPEL: In de novo?
3	MR. MILLS: Yes, while I
4	understand that there may be some desire to
5	revisit that, there is probably a procedure to
6	reconsider a previous ruling in a case, this
7	is not the time.
8	JUDGE SIPPEL: Not in this
9	courtroom, no way. We are not doing any
10	reconsideration.
11	MR. MILLS: - that this is de
12	novo, that all the evidence upon which the
13	hearing - the judge is going to decide this
14	case has to be presented in the hearings, and
15	that everyone is going to have a fair
16	opportunity to cross-examine and the rest of
17	it.
18	I don't think there is any reason
19	to reexamine all of those issues here, and to
20	have it be - there has already been some
21	element of proof already established, and

therefore there is some shifting - that is not

1 the law of this case.

MR. FREDERICK: Well, that is not true. What Judge Steinberg did not address is the statute of limitations issues, or the waiver claims that Comcast had made in which the Media Bureau said, we conclude that those are invalid.

And there is no basis for the Court to revisit issues that the Media Bureau has already decided, and that were not the basis of the delegation to the Court.

Now the Court has before it the carriage discrimination issues, but the Court does not have before it the statute of limitations question, the waiver claims that the Media Bureau decided as a matter of law Comcast was incorrect in their answer.

And we don't want to relitigate for purposes of efficiency and because that is outside the scope of what the Court's jurisdiction is, those matters that have already been decided by the Media Bureau, and

that Judge Steinberg had no occasion specifically to address when he made his statement about de novo review.

MR. MILLS: I don't know how this court could determine that a remedy is appropriate and make that recommended decision without establishing that there is a basis for it, the discrimination as well as - to the extent there are preliminary issues, that would have to be part of the recommended decision it seems to me.

MR. SOLOMON: But these are also factual issues, Your Honor. And it doesn't seem appropriate that if we have a hearing, and the facts underlying certain procedural preliminary decisions by the Media Bureau turned out to be disproved, that you are in a situation under the HDO that you say, well, it turns out I have facts before me that show the Media Bureau's view on that is completely incorrect, but I can't do anything.

MR, LEVY: Your Honor, let me

invite your attention to a single example at issue here, and that is paragraph 72 of the hearing designation order. In the middle of paragraph, the Media Bureau found, whether or not Comcast had the right to retier the NFLNetwork pursuant to а agreement is not relevant to the issue of whether doing so violated the act and the program carriage rules, and then it goes on.

That is a finding by the Commission - excuse me, finding by the Bureau. It is outside the scope of the delegation that was submitted to you. And the answer to the argument that was just made is that that paragraph, that finding on that issue binds Your Honor. You can easily find that there is a basis for remedy here, because the Media Bureau has reached that determination.

When the Media Bureau made the delegation to the administrative law judge, it did so in quite specific terms. It did so in the conclusion, for example, on page 41, the

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conclusion to its discussion of the discrimination claim. It did not do so in the part of the discussion that talks about the threshold procedural issues.

MR. FREDERICK: Your Honor, I'd like to address paragraph 105, MASN. We conclude that MASN filed its program, carriage, complaining compliance with program carriage statute of limitations. That is a finding that is binding on the court, and there is no need to relitigate that, and the notion that there were somehow improper facts that the Media Bureau based that on is a completely baseless charge here, where they had every opportunity, since they raised that defense, to put in all the facts that they wanted to, the declarations and documents that they had.

And it is simply a waste of time, as well as outside Your Honor's jurisdiction, to be relitigating a question that goes to statue of limitations and the waiver of claims

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1 that Comcast advanced against MASN. 2 JUDGE SIPPEL: All right. Is 3 there going to be a statute of limitations 4 defense offered in this case? 5 MR. TOSCANO: There is absolutely a 6 statute of limitations defense, including 7 based on the fact that at the NFL they didn't 8 even specify what remedy they wanted until 9 their reply. And in their reply they for the 10 first time made it clear that they are seeking 11 carriage on expanded basic. And it is crystal 12 clear based even on the Media Bureau's own 13 reasoning as well as the arguments in 14 NFL's own reply that the statute of 15 limitations has run as to that aspect of the 16 relief that the NFL has sought. 17 specifically Furthermore, 18 addressing paragraph 72 of the HDO which Mr. 19 Levy directed your attention to, if you look 20 first sentence, they are

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declining to dismiss it. They are not making

a ruling that this is dispositive.

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And if you look at their reasoning, they say parties to a contract cannot insulate themselves from enforcement of the act or our rules by agreeing to acts that violate the active rules.

That was never Comcast's argument, so the fact that the Media Bureau did not accept - does not agree with that proposition has nothing to do with the fact that what the reason that the contractual right is extremely relevant - there are two. First of all Comcast tiered the NFL Network in the wake of an enormous increase in the price of the NFL Network to Comcast; call that the wholesale price.

The tiering was in effect an increase in the retail price, to consumers. When Comcast accepted that increase in the wholesale price, it did so premised on the fact, and on its express understanding, that it had the contractual right to tier. And that contractual right to tier is part of the

entire agreement and deal between the parties, that once that was in the deal, Comcast had compelling justifications, economic justifications under the contract, to exercise that right.

One of the most important issues before Your Honor will be whether Comcast had legitimate nondiscriminatory reasons for tiering the NFL Network. And a very important part of the answer to that question is found in the deal that the parties reached. And the hearing right that the NFL voluntary agreed to give to Comcast is an integral, in fact key part, of that deal.

The second place where it comes into the analysis is, if Your Honor ever gets to remedy, and I don't think there will be a need to, but in that event, the pricing in the contract, again, is highly dependent on that critical right. Comcast's willingness to pay for the NFL Network was again based on its understanding that it had the right to tier.

1 And as there is as long any dispute over that right to tier, there cannot 2 be any understanding taken from the pricing in 3 4 the parties' agreement. Therefore, for both 5 those reasons and others, whether or 6 Comcast had the right to tier the NFL Network 7 under the parties contract is key to this 8 case. 9 JUDGE SIPPEL: I was just talking about statue of limitations. All that ties in 10 11 with the statue of limitations? 12 MR. TOSCANO: No, that deals with 13 72, which is whether this case paragraph 14 should have been dismissed pending the New 15 York State litigation. And that was the 16 paragraph that Mr. Levy directed 17 attention to. 18 MR. LEVY: But Your Honor, if you 19 look at the structure of this order, and to go 20 back to the first point that Mr. Toscano 21 raised, the specificity of the requested

relief, the Media Bureau's conclusion on that

is firm. It's not contingent. It's not based - it doesn't recognize any disputed factual issues. We conclude that the NFL's requested answer was sufficiently specific under our rules; end of discussion.

My strong suggestion, Your Honor, and I invite you to do this, is to go back and look at the structure of this hearing designation order. There is no question that the hearing designation order recognizes disputed issues of fact on the threshold issue of discrimination, whether or not there has been discrimination. And on the threshold question of Section 616.

But on these - excuse me, on the substantive issue of Section 616 - but on the threshold issues of discrimination, the effect of the carriage agreement, the specificity of the requested relief, and there are others, there is no delegation to Your Honor at all. The Media Bureau has resolved those issues, and they are binding in this proceeding.

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And if we get into those issues as well as the others we are going to find ourselves in a process that is going to take an extended period of time.

MR. FREDERICK: Your Honor, for MASN I haven't heard Comcast dispute that the Media Bureau's statue of limitations order on MASN binding on Comcast. That's in is paragraph 105. Nor has Comcast contested the Media Bureau's finding that the contract of discrimination carriage weights MASN's argument, that was binding against Comcast, they haven't disputed that here.

And so I think that if you go through the MASN sections of the order, there are three or so procedural arguments that Comcast made that were cited against Comcast by the Media Bureau that are not the subjects of the delegation, and they are binding on the court. And the court would exceed its jurisdiction if it revisited those questions as well as taking time that could be better

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1 spent getting to the merits of the dispute. 2 MR. SOLOMON: Your Honor, let me 3 comment on that. If you look, starting on 4 paragraph 112 -5 JUDGE SIPPEL: What paragraph? 6 MR. SOLOMON: Starting 7 paragraph 112 of the hearing designation 8 order, this is in the context of talking about 9 contract -Comcast specifications, area 10 contract based justification, the term fees, 11 the release, before it gets to editorial 12 specifications. And my point was, 13 present evidence and perfect their evidence 14 regarding the nature of the term sheet which 15 is clearly within the issues as Mr. Frederick just described that have been designated on 16 17 our justifications, if facts come out that 18 make it clear that the underlying factual 19 by the determinations Media Bureau with

respect to the statute of limitations are

simply wrong, it seems perfectly appropriate

for Your Honor to rule on that.

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1 nothing in the HDOthat says you are 2 prohibited from looking at that issue when you 3 have a full factual record before you. 4 The purpose of the HDO was to give 5 a full factual record. 6 MR. MILLS: Your Honor, a couple of observations. First of all, it seems to me 7 8 that the findings that were made which were 9 necessary in the context of the Media Bureau's 10 process in determining whether the case was 11 going to proceed to the next stage, that's in 12 the nature of a motion to dismiss, and it 13 doesn't mean that Your Honor would not be 14 permitted, I would think, to dismiss on those 15 bases before evidence is introduction. 16 motion to dismiss doesn't preclude the parties 17 from introducing evidence in trial. 18 And the second thing is, Judge 19 Steinberg already ruled that all the issues in 20 this case are open; that they are to 21 determined de novo. And I don't know about

the other cases, the NFL and MASN case, but in

don't think the abla TΙ the Wealth case, procedural questions are going to involve probably any additional facts that aren't already in contest in the discrimination. And this can all be resolved in the proposed findings of fact and conclusions of law. parties can simply take what has been developed in the record, and propose to Your Honor that you make findings on these issues. The opposing parties can say no, that finding is not appropriate. They can argue that it was already resolved by the Media Bureau. They can argue whatever they want. But this all be resolved at the end proceeding with the proposed findings conclusions.

WALLMAN: MS. Your Honor, for Wealth TV, let me give you an example. Cox raised the statute of limitations argument that the Media Bureau had no basis in the law They argued that my one year to or rules. complaint file the ran from the

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unsuccessful conversation that we had with Cox. And the Bureau said there is absolutely no basis for that in the law and regulations. The regulations are absolutely clear that the period for filing a complaint runs a year from the prefiling notice.

I don't wish to spend more time and money for my client to re-argue that and re-brief that before Your Honor. I don't think it's fair to ask us to do that.

We have another example where very late in the consideration of the record by the Media Bureau before they issued the hearing investigation order, all of the defendants to my recollection said, oh, we're shutting down MOJO. There is no basis; it's mooted. And so we put papers before the Bureau saying no, the act of discrimination occurred when they did the discrimination. It's not cured by killing the affiliated programmer. And the Bureau said that is absolutely right; it doesn't moot anything. It's been briefed and argued, and

1	I don't see any utility in re-upping those
2	issues before Your Honor all over again.
3	JUDGE SIPPEL: Well, what this is
4	telling me is that the parties should make an
5	effort to stipulate as to what they can
6	stipulate to under the HDO and what they can't
7	stipulate to, so that I know, you know, what
8	it is that you are asking.
9	We haven't even gotten that far
10	yet. We are just talking about discovery sort
11	of in the abstract.
12	MR. FREDERICK: But Your Honor,
13	what drives the discovery is a conclusion of
14	whether or not you think the matter is
15	completely wide open, or whether or not we are
16	confined to the issues delegated to you. If
17	we have to redo discovery on the statute of
18	limitations matter that has already been
19	resolved against Comcast, that is obviously
20	expanding the scope of the discovery.
21	JUDGE SIPPEL: I understand that
22	exactly. And that would be another basis for

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objecting to the request for discovery, or asking for a protective order. I can only take these things as they come up. I don't have this universal knowledge of everything that has happened in this case, but I'm getting better every time.

MR. SOLOMON: Your Honor, I would like to go back to the suggestion about the proposed findings, because at least with respect to the MASN case, to respond to Mr. Frederick, and I believe this is true with the other cases that were involved as well, none of the objections are based on the fact that we were seeking evidence that was somehow solely related to the procedural issues. I don't think it is expanding discovery to the extent that in our proposed findings we are arguing issues about statute of limitations, and the complainants are arguing that, either A, we're wrong, or that B, it's already been decided. I don't see how it affects the conduct of the hearing in any substantial way

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JUDGE SIPPEL: In other words there is not going to be any discovery sought on the statute of limitations. So it will be an issue of law, in effect.

MR. SOLOMON: Well, there may be factual issues as I was point out in the MASN case, factual issues that we find out through discovery with respect the business to justifications for what we were doing. the evidence we present on that issue may also shed light on the statute of limitations issues. And beyond that it is simply legal issues that may be in the proposed findings. And you can choose at that point, if the other parties say we should disregard it and not rule on it, that's a ruling, it's up to you to decide which of us is correct.

MR. FREDERICK: Well, to the extent they are asking you to revisit an order that the Media Bureau has decided, that is inviting error. I'll just put that out there

1 for the record. Because there are issues that 2 the Media Bureau decided that are outside of 3 your jurisdiction. To the extent that the 4 defendants are inviting you to reconsider 5 those issues, they are inviting error. 6 MR. MILLS: Your Honor, this is 7 going to be a recommended decision. The Media 8 Bureau feels like it already decided that 9 legal issue, and doesn't take the Commission's 10 side that it already decided that, it doesn't 11 have to take the proposed finding, 12 particular conclusion of law. It's not going 13 to delay the issue. 14 JUDGE SIPPEL: Mr. Beckner. 15 MR. BECKNER: Yes, I just wanted 16 to respond to Ms. Wallman's statement about 17 the discontinuance of MOJO, which I think 18 illustrates frankly the folly of this exercise 19 of trying to divine in the HDO some issue that 20 might be precluded from your consideration. 21 The question here is, did these 22 parties discriminate by not carrying Wealth TV

2 similar program, service, which is called 3 MOJO, which in fact was discontinued. 4 seems to me that you can't 5 decide the question of discrimination without 6 looking the fact that at MOJO 7 discontinued. We are not saying that that 8 immediately makes the complaint dismissable, 9 but to say that evidence, that that piece of 10 evidence you can't consider I think is an 11 absurd proposition frankly. 12 MS. WALLMAN: To the contrary I 13 have invited the Court to require evidence on 14 that point. That is one of the questions that 15 the Media Bureau's now rescinded order sought 16 Why was MOJO canceled? The to focus on. 17 Media Bureau wanted to know that, and there is 18 a perfect opportunity for you to volunteer and 19 submit a position. 20 Well, with all due MR. BECKNER: 21 respect, we will prepare our cases 22 choose to prepare it.

to benefit their own so-called substantially

1 JUDGE SIPPEL: Excuse me, 2 sorry, you had your hand up, sir. 3 MR. BLAKE: Yes, it seems to me 4 that Comcast in the application to Judge 5 Steinberg asking that these procedural issues 6 be sent to the Commission to be looked at by 7 the Commission, which request may still be 8 pending, was admitting that those issues are 9 not before the ALJ and are not within the 10 scope of the hearing designation order. 11 JUDGE SIPPEL: Where is that? Is 12 this in a transcript? 13 MR. SOLOMON: This was in our 14 motion for certification or clarification. 15 And we got clarification. And Judge Steinberg 16 had a footnote that basically said he is not 17 ruling on that, which certainly could be read 18 - it certainly could be read as saying those 19 are issues before him. 20 again think in the proposed 21 findings it is perfectly appropriate for the 22 other side to argue no, that issue

precluded. But it seems to me a little odd at 1 2 this point where you have the Commission 3 saying to the ALJs, we are comfortable with 4 what you did. Go forward, try to do it 5 expeditiously. We have just reached agreement 6 on schedules that we simply go forward, and if 7 there are legal arguments to be argued, they 8 get argued in the proposed findings. 9 JUDGE SIPPEL: I agree. I agree. 10 This is just not advancing the ball. I'm not 11 going to touch this right now. But thank you 12 for bringing it up. 13 I was going to ask issues be set 14 out as to which can be agreed to. 15 again at this point, we've got more important 16 things to do. 17 I will go back and read these 18 sections certainly that you referred me to. 19 I am not going to say up here now what my 20 feeling is with respect to what's essentially 21 hearsay document in the HDO when it comes in

It certainly would not be received in

here.

1	to evidence as an exhibit. It is part of the
2	record in a broad sense of course. But I'm
3	not convinced - I really don't know. I don't
4	know what the answer is. But you certainly
5	will have a chance to address it in findings
6	if not before.
7	Believe me, I have no interest in
8	trying any other fact or any other legal issue
9	in this case than I have to. I am not looking
10	for things to do. So I'm going to take a very
11	narrow view of things.
12	But on the other hand, I am not in
13	a position today to tell you where that line
14	begins and ends.
15	Now let me review what we have. I
16	have an order from Time-Warner that I am able
17	to sign today. Are there any other
18	modifications to that order?
19	MR. COHEN: Mr. Harding, just the
20	title we are going to fix for Your Honor,
21	we'll send it to you and we're done.
22	JUDGE SIPPEL: Okay, and I can

1	even have my - that would be helpful. And
2	it's going to be called -
3	MR. HARDING: And we'll amend the
4	statement about written recs - make it that
5	it's required rather than optional.
6	MR. SOLOMON: It is in paragraph
7	two, Your Honor.
8	JUDGE SIPPEL: Further revise.
9	All right, well, we can do that. We can
10	figure that out. But the dates are the same.
11	And the chores are the same. Okay.
12	And on the 10 <sup>th</sup> of February, which
13	is a Tuesday, both sides will submit,
14	hopefully reduced as much as possible, a
15	status report. And what was the subject of
16	the status?
17	MR. COHEN: Protective order, and
18	the scheduling disputes that haven't been
19	resolved.
20	JUDGE SIPPEL: That is right.
21	You were going to discuss all that. Thank
22	you. I mean it will be in the transcript.

Okay, we're all set for now. I'm sure we will
have another conference. But I'm not going to
set it now. I don't see any need right now.

And does anybody else have any other pressing issue with respect to what is on your mind before we leave here today? We've got everything we need I think for this phase.

All right, that is it. Before I close the record, I don't know if I should be doing this, but I took this up with the ethics officer. My wife, unbeknownst to me, bought herself about 20 shares of Comcast, and has herself and my daughter on it. And there is a limit in terms of when the conflict kicks in for a relative, and I was pretty much laughed off the telephone by the office. It just doesn't work - I mean there is not enough money involved. It's minuscule. In other words there is no violation by my wife owning 20 shares of Comcast. I've got it all disclosed. it's I mean all

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1	disclosure papers. And I ran this through the
2	ethics officer just to be sure. But they have
3	a specific number. There are a lot of zeroes
4	in it. This doesn't come near reaching it.
5	So I just want the record to be -
6	I don't want any after the fact suggestions.
7	But it certainly doesn't affect me. I didn't
8	even know - well, I did know she bought it,
9	because I had to disclose it.
10	MR. COHEN: Your Honor, I
11	appreciate the information. If somebody on
12	the other side of the table objects before we
13	start to go down this path, I'd like to hear
14	it, and if not today, timely. Basically on
15	the cable side we don't have any objection.
16	We understand.
17	MR. MILLS: If there is going to
18	be a motion to recuse, we should probably deal
19	with that as soon as possible.
20	MR. LEVY: Your Honor, I've been
21	through a situation like this before, and the
22	lesson I learned from that is, not to take a

1	position without talking to my client.
2	So if we have an issue, we will
3	let you know by Tuesday.
4	JUDGE SIPPEL: That's fine. I
5	think it's in the 20 to 25 share limit.
6	MS. WALLMAN: Wealth TV reserves
7	the same.
8	JUDGE SIPPEL: All right.
9	MR. COHEN: Your Honor, do I
10	understand they will be required to - if they
11	have an issue - by Tuesday the 10 <sup>th</sup> ?
12	MR. LEVY: No, this coming
13	Tuesday. We will provide notice if we have an
14	issue.
15	MR. COHEN: And is that true for
16	Wealth as well? Since their client is here,
17	I don't want to reserve - they could have this
18	issue come up in April. I don't want this
19	issue to come up in April.
20	MS. WALLMAN: I think we could
21	respond by next Tuesday.
22	MR. FREDERICK: The same for MASN.

1	JUDGE SIPPEL: If you could do it
2	Monday afternoon, as early as you can get it
3	in, because as I say, I'm here Tuesday all
4	day. But then Wednesday through the following
5	Tuesday, following Monday, I probably will
б	come back in the following Tuesday.
7	MR. BECKNER: Your Honor, could
8	we have an express response either way, not
9	just a silence means we are okay with it, but
10	actually a filing that says, either we don't
11	object or we do object, so that there is no
12	ambiguity.
13	JUDGE SIPPEL: Well, that would
14	be very handy to me.
15	MR. LEVY: We will talk to our
16	client, but we will make sure everybody knows
17	where we are on this by late Monday or Tuesday
18	if we can.
19	JUDGE SIPPEL: Okay. Thank you.
20	(Whereupon at 11:46 a.m. the
21	proceeding in the above-entitled
22	matter was adjourned.)

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derring v Time Warner, et al
Name of Hearing
MB DOCKET NO. 08-214
Docket No. (if applicable)
445 12th STREET, S.W., WASHINGTON, D.C.
Place of Hearing
January 29, 2009
Date of Hearing
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